



# CCM 2012 Testimony

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## ***APPROPRIATIONS COMMITTEE***

*Special Forum for Municipal Officials*

March 7, 2012

### **TESTIMONY**

of

**MARY GLASSMAN**

### **FIRST SELECTMAN OF SIMSBURY AND PRESIDENT OF CCM**

Good Afternoon. I am Mary Glassman, First Selectman of Simsbury and President of the Connecticut Conference of Municipalities. Our members represent over 90% of Connecticut's population. I thank you on behalf of towns and cities across the state for giving us this unique opportunity to speak directly to you about our ideas to strengthen the State-Local Partnership.

Each year this dialogue is critically important to the residents and businesses we both serve. As officials who work hard on our own budgets to meet service needs with finite resources, we appreciate the very difficult task before you.

We appreciate that two major focuses for this session are job creation and education reform.

CCM urges you to consider that, while other factors have import, quality of life issues are the most important factors businesses weigh in determining whether to relocate to or remain in a state. Factors such as quality schools, educated workforce, safe neighborhoods, reasonable property taxes, safe and reliable roads and bridges top the list of employers' "must haves".

Healthy towns and cities = A healthy Connecticut.

CCM applauds the Governor for making education reform a priority.

CCM reiterates its position that comprehensive education reform must include education finance reform to ensure that education is financed adequately and equitably by the State so that (1) every student, no matter where they live in our state, has the opportunity to achieve educational excellence, and (2) residential and business property taxpayers are not unfairly burdened by the costs of Pre K-12 public education. Until such task is undertaken, adding more layers of well-intentioned but unfunded mandates on already burdened local districts is unfair and shortsighted.

CCM appreciates that Governor Malloy made preserving municipal aid a priority in his newest budget proposal. The Governor's budget also proposes relief from costly unfunded state mandates. However, towns and cities -- particularly our poorer communities -- will still face very difficult fiscal and service delivery challenges.

We thank this Committee for also being supportive of protecting municipal aid – and also ask that you ensure no new costly mandates are placed on towns and cities. If it were not for your investment in towns and cities, many much-needed and highly-valued municipal services would be drastically reduced or eliminated.

Municipalities are doing their part -- doing more with less. Connecticut towns and cities have made uncomfortable budget cuts and are making preparations for additional cuts. In Connecticut's central cities and poorer towns, the situation is increasingly grave and dire. Deep cuts in services and significant layoffs have occurred in these communities – with more service cuts and layoffs to come. Municipalities must still provide the services residents depend on for education, public safety and infrastructure maintenance, regardless of the economy.

CCM is heartened that both the Governor, this Committee and most legislators are on the same page – all recognizing that cuts in local aid are de facto increases in property taxes and that shifting the State's budget problems on to towns and cities and property taxpayers is bad public policy. CCM looks to you to protect towns and cities, particularly our most revenue-stressed communities.

## GOVERNOR'S BUDGET PROPOSAL

Governor Malloy makes property taxpayers a priority in his budget proposal, particularly in the context of the economic difficulties faced by the State. He is living up to his pledge to *“honor the State's commitments and promises made to towns regardless of how dire our fiscal circumstances may be”*.

Below is a summary of the estimated proposed changes to major municipal grants:

Grant:	Current Year FY2012	Original FY2013	Proposed FY2013	Original FY2013 v. FY2012	Proposed FY2013 v. FY2012
Adult Education	\$21.0 million	\$21.0 million	\$21.0 million	No change	No change
Education Cost Sharing	\$1.89 billion	\$1.89 billion	\$2.02 billion	No change	\$128.5 million
Excess Cost – Student Based	\$139.8 million	\$139.8 million	\$139.8 million	No change	No change
LoCIP	\$30 million	\$30 million	\$30 million	No change	No change
Magnet Schools	\$215.9 million	\$235.4 million	\$242.7 million	\$19.5 million	\$26.8 million

Municipal Revenue Sharing Acct.	\$93.3 million	\$99.0 million	\$99.0 million	\$5.7 million	\$5.7 million
Non-Public School Transportation	\$3.6 million	\$3.6 million	\$3.6 million	No change	No change
Priority School Districts	\$116.6 million	\$116.1 million	\$120.1 million	-\$500,000	\$4 million
Pequot-Mohegan Grant	\$61.8 million	\$61.8 million	\$61.8 million	No change	No change
PILOT: Colleges & Hospitals	\$115.4 million	\$115.4 million	\$115.4 million	No change	No change
PILOT: State-Owned Property	\$73.5 million	\$73.5 million	\$73.5 million	No change	No change
Public School Transportation	\$25.8 million	\$24.9 million	\$24.9 million	-\$900,000	-\$900,000
Town Aid Road	\$30 million	\$30 million	\$30 million	No change	No change

## GOVERNOR'S MANDATES REFORM PACKAGE

Governor Malloy has proposed meaningful mandates reform. His mandates reforms package, HB 5035, would:

### A. Clarify municipal authority to assess partially constructed structures.

Passage of this proposal would **generate an immediate, positive impact on all 169 towns and cities by protecting over \$30 million in local property tax revenue.** The failure to enact this proposal would place this critical revenue stream in jeopardy – and devastate *all* local budgets.

Although there are several statutory references to municipal authority to assess properties (CGS 12-63; 12-55; 12-53), the proposal would specifically identify “improvements that are partially completed or under construction” as properties that are assessable – and would therefore, conform state law to generations of public policy standards.

### B. Phase out the health-insurance premium tax on municipalities.

The proposal would (a) cut the tax rate by 50% beginning 2014, (b) by another 25% for 2015, and (c) eliminate the premium tax on municipalities altogether for 2016. When fully implemented, it would save towns and cities \$9 million.

CCM has long advocated for exempting municipalities from the premium tax as a tangible step that the State can take to help cut costs for property taxpayers. The tax is 1.75% on fully insured municipal premiums. Municipalities that are self-insured do not pay the premium tax. But many municipalities, particularly smaller towns, cannot reasonably consider self-insurance as an option, because just one catastrophic illness could have a severe negative impact on a local budget.

### C. Allow municipalities to assess landlords for the cost of storing evicted tenants' possessions.

The proposal would permit towns and cities to assess landlords for costs associated with storing the possessions of evicted tenants.

Although some relief was provided in 2010 by eliminating the mandate that requires towns and cities transport the possessions of evicted tenants – the existing mandate to store items continues to drain local finances and resources. While municipalities are allowed to try to recoup some of the costs by auctioning off the items, municipalities must incur costs associated with conducting an auction (including publicizing the auction, etc.). And, usually the possessions are not sellable – ultimately, the municipality receives little or no reimbursement.

According to OLA Research Report #2006-R-0164 "*State Laws on Landlord's Treatment of Abandoned Property*", **of the 37 states researched, Connecticut is the only state that mandates that municipalities remove and store the possessions of evicted tenants.** In other states, landlords or sheriffs have the responsibility.

*The tenant evictions mandate is still costly to municipalities.* It is estimated that there are about 2,500 residential evictions per year - this is a conservative estimate.

## SUMMARY

As you make tough budget decisions in the coming weeks, we ask you to remember your partners in governing Connecticut.

When members of the public think about the public services that affect their lives, they are thinking of services provided by local governments: public safety (police and fire, code enforcement), education, health, elderly and youth services, roads, solid waste and recycling collection, and more. **Connecticut's quality of life during these hard times depends on maintaining delivery of these important local services.**

We will stand with you as you make the difficult choices that will help and sustain Hometown Connecticut.

Thank you again for the opportunity to address you at this special Forum.

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If you have any questions, please contact Jim Finley ([jfinley@ccm-ct.org](mailto:jfinley@ccm-ct.org)) or Ron Thomas ([rthomas@ccm-ct.org](mailto:rthomas@ccm-ct.org)) of CCM, at (203) 498-3000.